



- The Aged, Blind, and Disabled forecast includes Categorically Needy (CN) and Medically Needy (MN) Aged, CN and MN Blind/Disabled, Qualified Medicare Beneficiaries (QMB), and the Medicaid Buy-In program.

Forecast Comparisons (Fiscal Year Averages)

Fiscal Year	Nov-05 Forecast	Feb-06 Forecast	Nov to Feb Difference	Percent Difference
2006	216,518	215,678	-840	-0.4%
2007	223,857	222,443	-1,415	-0.6%

- The main drivers of the lower combined forecast were downward revisions in the Medically Needy Aged and Medically Needy Blind and Disabled forecasts¹. These forecasts were revised downward by an average of 1.8 percent for fiscal year 2006 and 4.4 percent for fiscal year 2007.
- The MN Aged caseload is expected to decline slightly in both fiscal year 2006 and 2007, while the MN Blind and Disabled caseload is expected to slow its rate of growth to almost a quarter of what it was during fiscal year 2004 and 2005.

¹ These programs cover people who are aged, blind, or have disabilities who have income and/or resources above CN limits. It provides slightly less medical coverage than CN, and requires greater financial participation by the client. MN clients with income above MN limits are required to spend down excess income before medical benefits can be authorized. The client spends down the excess by incurring medical bills.

Tracking the November 2005 Forecast

	Nov-05			Percent
	Forecast	Actual	Variance	Variance
May-05	211,536	211,309	-227	-0.11%
Jun-05	212,405	211,953	-451	-0.21%
Jul-05	213,138	212,500	-638	-0.30%
Aug-05	214,056	213,080	-976	-0.46%
Sep-05	214,594	213,539	-1,055	-0.49%
Oct-05	215,495	214,330	-1,164	-0.54%

- Medicare Part D is expected to negatively affect the Medically Needy programs. About 95 percent of the MN Aged caseload is eligible for both Medicare and Medicaid, while 72 percent of the MN Blind and Disabled caseload is eligible for both programs. With Medicare Part D, these dual eligibles would purchase their drugs through the Medicare program. They are, thus, less likely to meet their spenddown requirement which has often been comprised of mainly drug costs.
- Medicare Part D would not be expected to have an impact on these programs until calendar years 2006 and 2007. Although the MN forecasts do not explicitly take into account the downside risk from Medicare Part D, their downward revision does lessen the risk of over forecasting growth in fiscal year 2006 and 2007.

Fiscal Year Caseload Change

	Caseload	Percent	
Fiscal Year	Change	Change	
2003-2004	7,684	4.0%	Actual
2004-2005	7,043	3.5%	
2005-2006	7,399	3.5%	Forecast
2006-2007	5,860	2.7%	

- Taking out the Medicaid Buy-In and the Qualified Medicare Beneficiary programs, which are expected to grow strongly over the next two fiscal years, the two aged programs are expected to grow at an average annual rate of 1.8 percent while the two blind and disabled programs are expected to grow at an average annual rate of 2.8 percent.
- Population growth for those 65 years and over is expected to grow at a comparable average of 2.1 percent. The population of adults (18-64) is expected to grow at around 1.9 percent. Improved medical technology would be expected to impact the people with disabilities more than the general population. This would lead to a higher population growth rate for people with disabilities than for the general population.